



State of Indiana

Request for Proposal 15-001

INDIANA DEPARTMENT OF ADMINISTRATION

On Behalf of

**Family & Social Services Administration
Office of Medicaid Policy and Planning**

Solicitation For:

**RISK-BASED MANAGED CARE SERVICES FOR AGED, BLIND
AND DISABLED MEDICAID BENEFICIARIES
(HOOSIER CARE CONNECT)**

Response Due Date: September 12, 2014

Matthew Robinson, Sr. Account Manager
Indiana Department of Administration
Procurement Division
402 W. Washington St., Room W461
Indianapolis, Indiana 46204

SECTION ONE GENERAL INFORMATION AND REQUESTED PRODUCTS/SERVICES

1.1 INTRODUCTION

In accordance with Indiana statute, including IC 5-22-9, the Indiana Department of Administration (IDOA), acting on behalf of the Family and Social Services Administration (FSSA), intends to contract on a statewide basis with managed care entities (MCEs) to deliver risk-based managed care services to Medicaid beneficiaries enrolled in the State of Indiana's Hoosier Care Connect program. It is the intent of IDOA to solicit responses to this Request for Proposals (RFP) in accordance with the statement of work, proposal preparation section, and specifications contained in this document. This RFP is being posted to the IDOA website (<http://www.IN.gov/idoa/2354.htm>) for downloading. A nominal fee will be charged for providing hard copies. Neither this RFP nor any response (proposal) submitted hereto are to be construed as a legal offer.

IMPORTANT: Responses to this RFP are limited to Respondents who have submitted a response to RFI 14-101 and met responsiveness criteria.

1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are more localized and defined where they appear, rather than in the following list.

42 CFR 438	Title 42, Part 438 of the Code of Federal Regulations
405 IAC 5	Title 405, Article 5 of the Indiana Administrative Code
ADHD	Attention Deficit Hyperactivity Disorder
AIRS	Adult Intensive Rehabilitation Services
AMHH	Adult Mental Health and Habilitation
ARRA	American Recovery and Reinvestment Act
BIPA	Benefits Improvement and Protection Act
BPHC	Behavioral and Primary Healthcare Coordination
CAHPS	Consumer Assessment of Healthcare Providers and Systems
CAIRS	Child and Adolescent Intensive Resiliency Services
CANS	Child and Adolescent Needs and Strength
CFR	Code of Federal Regulations
CLIA	Clinical Laboratory Improvement Amendments
CMHC	Community Mental Health Center
CMHW	Children's Mental Health Wraparound
CMS	The Centers for Medicare & Medicaid Services
COPD	Chronic Obstructive Pulmonary Disease
CPOE	Computerized Provider Order Entry
DFR	Division of Family Resources

DMHA	Division of Mental Health and Addiction
DUR	Drug Utilization Review
EMR	Electronic Medical Record
EPSDT	Early Periodic Screening, Diagnosis, and Treatment
FFS	Fee-for-Service
FQHC	Federally Qualified Health Center
FSSA	Indiana Family and Social Services Administration
Full Time Equivalent (FTE)	The State defines FTE as a measurement of an employee's productivity on a specific project or contract. One (1) FTE equals one (1) Indiana resident employee fully engaged in the execution of activities or services germane to the scope of work included in this solicitation and the resulting contract; forty (40) hours a week, fifty-two (52) weeks a year. (see section 3.2.3 for FTE details)
HCBS	Home and Community Based Services
HEDIS	Healthcare Effectiveness Data and Information Set
HIP	Healthy Indiana Plan
HIPAA	Health Insurance Portability and Accountability Act
HIT	Health Information Technology
HMO	Health Maintenance Organization
HSPP	Health Service Providers in Psychology
IAC	Indiana Administrative Code
IC	Indiana Code
IC 12-15	Title 12, Article 15 of the Indiana Code
ICES	Indiana Client Eligibility System
ICF/IID	Intermediate Care Facilities for Individuals with Intellectual Disabilities
IDOI	Indiana Department of Insurance
IEDSS	Indiana Eligibility Determination Services System
IHCP	Indiana Health Coverage Programs
IMFCU	Indiana Medicaid Fraud Control Unit
Implementation	The successful delivery and implementation of the products/services required by this solicitation at the Indiana Government Center as specified in the contract resulting from this RFP.
Installation	The delivery and physical setup of products or services requested in this RFP.
IPAS	Indiana Pre-Admission Screening

IQ	Internet Quorum
IRO	Independent Review Organization
IS	Information System
LTC	Long-Term Care
MCE	Managed Care Entity
MDS	Minimum Data Set
M.E.D. Works	Medicaid for Employees with Disabilities Works
MHPAEA	Mental Health Parity and Addiction Equity Act
MMIS	Medicaid Management Information System
MRO	Medicaid Rehabilitation Option
NCQA	National Committee for Quality Assurance
NOP	Notification of Pregnancy
NPI	National Provider Identification
OMPP	Office of Medicaid Policy and Planning
Other Governmental Body	An agency, a board, a branch, a bureau, a commission, a council, a department, an institution, an office, or another establishment of any of the following: (1) The judicial branch. (2) The legislative branch. (3) A political subdivision (includes towns, cities, local governments, etc.) (4) A state educational institution
PBM	Pharmacy Benefit Manager
PDL	Preferred Drug List
PDSL	Preferred Diabetic Supply List
PHR	Personal Health Record
PMP	Primary Medical Provider
Products	Tangible goods or manufactured items as specified in this RFP.
Proposal	An offer as defined in IC 5-22-2-17.
PRTF	Psychiatric Residential Treatment Facility
QDW	Qualified Disabled Workers
QI	Qualified Individuals
QMB	Qualified Medicare Beneficiaries
RCAP	Residential Care Assistance Program

RCP	Right Choices Program
Respondent	An offeror as defined in IC 5-22-2-18. The State will not consider a proposal responsive if two or more offerors submit a joint or combined proposal. One entity or individual must be clearly identified as the Respondent who will be ultimately responsible for performance of the contract.
RHC	Rural Health Clinic
RHIO	Regional Health Information Organization
SCHIP	State Children's Health Insurance Program
Services	Work to be performed as specified in this RFP.
SLMB	Specified Low Income Medicare Beneficiaries
SSI	Supplemental Security Income
State	The State of Indiana
State Agency	As defined in IC 4-13-1, "state agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government.
SUR	Surveillance and Utilization Review
TDD	Telecommunications Device for the Deaf
TPL	Third Party Liability
Vendor/Contractor	Any successful Respondent selected as a result of the procurement process to deliver the products or services requested by this RFP.

1.3 PURPOSE OF THE RFP

The Indiana Department of Administration (IDOA), acting on behalf of the Family and Social Services Administration (FSSA), seeks to contract on a statewide basis with managed care entities (MCEs) to deliver risk-based managed care services to Medicaid beneficiaries enrolled in the State of Indiana's Hoosier Care Connect program.

The State intends to contract on a statewide basis with MCEs with a demonstrated capacity to actively manage and coordinate care for low income disabled populations. This includes specific experience and demonstrated success in operating care coordination programs for low income individuals with significant health needs. MCE requirements include, but are not limited to, requirements set forth in this RFP and attachments and all applicable requirements of Medicaid managed care organizations under Section 1903(m) and 1932 of the Social Security Act, as well as the implementing regulations set forth in 42 CFR 438, as may be amended. The effective date of the resulting contracts is expected to be April 1, 2015, although this is subject to change.

The Scope of Work is detailed in Attachment D of the RFP. A comprehensive description of covered benefits and services is available in Attachment E of this RFP. Additionally, a comprehensive review of the responsibilities of the State is included in Attachment F of the RFP.

Bidders are encouraged to submit innovative proposals for addressing the Program's goals beyond the minimum requirements set forth in this RFP and its Attachments.

For more information, respondents should review documentation available in the bidder's library and reference documents that the State cites throughout this RFP and is making available to respondents on the RFP website.

1.4 SUMMARY SCOPE OF WORK

Hoosier Care Connect is a new coordinated care program for Indiana's Medicaid enrollees with a disability who are not Medicare eligible and do not have an institutional level of care, and this program will serve approximately 84,000

Hoosiers¹. Through the Hoosier Care Connect program, FSSA seeks to continue to improve the quality of care and health outcomes for members. This includes improved clinical and functional status, enhanced quality of life, improved member safety, enhanced member autonomy and adherence to treatment plans. In developing Hoosier Care Connect, FSSA seeks to achieve the following goals:

- Improve quality outcomes and consistency of care across the delivery system;
- Ensure enrollee choice, protections and access;
- Coordinate care across the delivery system and care continuum; and
- Provide flexible person centered care.

The Scope of Work is provided in Attachment D of this RFP.

1.5 RFP OUTLINE

The outline of this RFP document is described below:

Section	Description
Section 1 – General Information and Requested Products or Services	This section provides an overview of the RFP, general timelines for the process, and a summary of the products/services being solicited by the State/Agency via this RFP
Section 2 – Proposal Preparation Instruction	This section provides instructions on the format and content of the RFP including a Letter of Transmittal, Business Proposal, and a Technical Proposal
Section 3 – Proposal Evaluation Criteria	This sections discusses the evaluation criteria to be used to evaluate respondents' proposals
Attachment A	M/WBE Sub-Contractor Commitment Form
Attachment A1	IVBE Participation Plan Form
Attachment B1	Sample Contract
Attachment B2	Contract Compliance & Pay for Outcomes
Attachment C	Indiana Economic Impact Form
Attachment D	Scope of Work
Attachment E	Program Description and Covered Benefits
Attachment F	Responsibilities of the State
Attachment G	Capitation Rates
Attachment H	Readiness Review
Attachment I	Business Proposal Template
Attachment J	Technical Proposal Template
Attachment K	Capitation Rate Data Book
Attachment L	Question and Answer Template
Attachment M	Intent to Respond Form

¹ The projected enrollment provided in this Scope of Work is based on January 2014 enrollment of 80,000. Due to the 1634 transition on June 1, 2014 and natural growth, estimated at three percent (3%) annually, FSSA is estimating year one (1) enrollment of 84,000. Actual enrollment in the Hoosier Care Connect program may increase or decrease in the future based on factors, including but not limited to, federal policies, program priorities and available funding.

Attachment N	Bidder's Library
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1.6 QUESTION/INQUIRY PROCESS

There will be two question/inquiry periods for this RFP. The first period will address all questions/inquiries regarding the RFP with the exception of Attachment G and Attachment K. The second period will address all questions/inquiries regarding Attachment G and Attachment K. All questions/inquiries regarding this RFP must be submitted via email to marobinson@idoa.in.gov using the Question and Answer Template provided in the supplementary attachments. Questions/Inquiries must be received by 3:00 p.m. Eastern Time on the dates specified in Section 1.24 of this document.

Following the question/inquiry due dates, Procurement Division personnel will compile a list of the questions/inquiries submitted by all Respondents. The responses will be posted to the IDOA website according to the RFP timetable established in Section 1.24. The question/inquiry and answer link will become active after responses to all questions have been compiled. Only answers posted on the IDOA website will be considered official and valid by the State. No Respondent shall rely upon, take any action, or make any decision based upon any verbal communication with any State employee.

Inquiries are not to be directed to any staff member of the Family and Social Services Administration. Such action may disqualify Respondent from further consideration for a contract resulting from this RFP.

If it becomes necessary to revise any part of this RFP, or if additional information is necessary for a clearer interpretation of provisions of this RFP prior to the due date for proposals, an addendum will be posted on the IDOA website. If such addenda issuance is necessary, the Procurement Division may extend the due date and time of proposals to accommodate such additional information requirements, if required.

1.7 DUE DATE FOR PROPOSALS

All proposals must be received at the address below by the Procurement Division no later than **3:00 p.m. Eastern Time** on the date specified in Section 1.24 of this document. **Each Respondent MUST submit one (1) printed hard-copy (labeled "Original") and one (1) electronic copy on CD-ROM (labeled "Original") of the proposal, including the Transmittal Letter and all other related documentation required by this RFP.** The CD labeled "Original" will be considered the official response in evaluating responses for scoring and protest resolution. **The respondent's proposal response on this CD may be posted on the IDOA website, (<http://www.in.gov/idoa/2462.htm>) if recommended for selection.** Each copy of the proposal must follow the format indicated in Section Two of this document. Unnecessarily elaborate brochures or other presentations, beyond those necessary to present a complete and effective proposal, are not desired. All proposals must be addressed to:

Matthew Robinson
Indiana Department of Administration
Procurement Division
402 West Washington Street, Room W478
Indianapolis, IN 46204

If you hand-deliver solicitation responses: To facilitate weapons restrictions at Indiana Government Center North and Indiana Government Center South, as of July 21, 2008, the public must enter IGC buildings through a designated public entrance. The public entrance to Indiana Government Center South is located at 302 W. Washington St. (the eastern-most Washington St. entrance). This entrance will be equipped with metal detectors and screening devices monitored by Indiana State Police Capitol Police.

Passing through the public entrance may take some time. Please be sure to take this information into consideration if your company plans to submit a solicitation response in person.

If you ship or mail solicitation responses: United States Postal Express and Certified Mail are both delivered to the Government Center Central Mailroom, and not directly to the Procurement Division. It is the responsibility of the Respondent to make sure that solicitation responses are received by the Procurement Division at the Department of Administration's reception desk on or before the designated time and date. Late submissions will not be accepted. The Department of Administration, Procurement Division clock is the official time for all solicitation submissions.

Regardless of delivery method, all proposal packages must be sealed and clearly marked with the RFP number, due date, and time due. IDOA will not accept any unsealed bids. **Any proposal received by the Department of Administration, Procurement Division after the due date and time will not be considered.** Any late proposals will

be returned, unopened, to the Respondent upon request. All rejected proposals not claimed within 30 days of the proposal due date will be destroyed.

No more than one proposal per Respondent may be submitted.

The State accepts no obligations for costs incurred by Respondents in anticipation of being awarded a contract.

All proposals submitted to the State should be double-sided and printed on 30% post-consumer recycled content paper or tree-free paper. When possible, soy ink should be used.

1.8 PRE-PROPOSAL CONFERENCE

There will be two pre-proposal conferences for this RFP. The first conference will be regarding the RFP, with the exception of Attachment G and Attachment K, and potential respondents may ask questions about the RFP and the RFP process. The second conference will be regarding Attachment G and Attachment K, and potential respondents may ask questions related to capitation rates. The pre-proposal conferences will be held on the dates specified in Section 1.24 of this document. At this conference, potential respondents may ask questions about the RFP and the RFP process.

Respondents are reminded that no answers issued verbally at the conference are binding on the State and any information provided at the conference, unless it is later issued in writing, also is not binding on the State.

1.9 MODIFICATION OR WITHDRAWAL OF OFFERS

Modifications to responses to this RFP may only be made in the manner and format described in Section 1.6 and clearly identified as a modification.

The Respondent's authorized representative may withdraw the proposal, in person, prior to the due date. Proper documentation and identification will be required before the Procurement Division will release the withdrawn proposal. The authorized representative will be required to sign a receipt for the withdrawn proposal.

Modification to, or withdrawal of, a proposal received by the Procurement Division after the exact hour and date specified for receipt of proposals will not be considered.

1.10 PRICING

Please refer to Section 2.5 for a detailed discussion of the pricing requirements.

1.11 PROPOSAL CLARIFICATIONS AND DISCUSSIONS, AND CONTRACT DISCUSSIONS

The State reserves the right to request clarifications on proposals submitted to the State. The State also reserves the right to conduct proposal discussions, either oral or written, with Respondents. These discussions could include request for additional information, request for technical proposal revision, etc. Additionally, in conducting discussions, the State may use information derived from proposals submitted by competing respondents only if the identity of the respondent providing the information is not disclosed to others. The State will provide equivalent information to all respondents which have been chosen for discussions. Discussions, along with negotiations with responsible respondents may be conducted for any appropriate purpose.

The Procurement Division will schedule all discussions. Any information gathered through oral discussions must be confirmed in writing.

A sample contract is provided in the supplemental attachments. Any requested changes to the sample contract must be submitted with your response (See Section 2.3.5 for details). The State reserves the right to reject any of these requested changes. It is the State's expectation that any material elements of the contract will be substantially finalized prior to contract award.

1.12 BEST AND FINAL OFFER

The State may request best and final offers from those Respondents determined by the State to be reasonably viable for contract award. However, the State reserves the right to award a contract on the basis of initial proposals received. Therefore, each proposal should contain the Respondent's best terms from a technical standpoint.

Following evaluation of the best and final offers, the State may select for final contract negotiations/execution the offers that are most advantageous to the State, considering the evaluation criteria in this RFP.

1.13 REFERENCE SITE VISITS

The State may request a site visit to a Respondent's working support center to aid in the evaluation of the Respondent's proposal. Site visits, if required will be discussed in the technical proposal.

1.14 TYPE AND TERM OF CONTRACT

The State intends to sign a contract with one or more Respondent(s) to fulfill the requirements in this RFP.

The term of the contract shall be for a period of four (4) years from the date of contract execution. There may be two (2) one year renewals for a total of six (6) years at the State's option.

1.15 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (APRA), IC 5-14-3 *et seq.*, and, after the contract award, the entire RFP file may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the Transmittal Letter and on the outside of that envelope that confidential materials are included. The Respondent must also specify which statutory exception of APRA that applies. The State reserves the right to make determinations of confidentiality. If the Respondent does not identify the statutory exception, the Procurement Division will not consider the submission confidential. If the State does not agree that the information designated is confidential under one of the disclosure exceptions to APRA, it may seek the opinion of the Public Access Counselor. Prices are not confidential information.

1.16 TAXES

Proposals should not include any tax from which the State is exempt.

1.17 PROCUREMENT DIVISION REGISTRATION

In order to receive an award, you must be registered as a bidder with the Department of Administration, Procurement Division. Therefore, to ensure there is no delay in the award all Respondents are strongly encouraged to register prior to submission of their response. Respondents should go to: www.in.gov/idoa/2464.htm.

1.18 SECRETARY OF STATE REGISTRATION

If awarded the contract, the Respondent will be required to register, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations and limited liability companies. Information concerning registration with the Secretary of State may be obtained by contacting:

Secretary of State of Indiana
Corporation Division
402 West Washington Street, E018
Indianapolis, IN 46204
(317) 232-6576
www.in.gov/sos

1.19 COMPLIANCE CERTIFICATION

Responses to this RFP serve as a representation that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State, and it agrees that it will immediately notify the State of any such actions. The Respondent also certifies that neither it nor its principals are presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State. The Respondent agrees that the State may confirm, at any time, that no such liabilities exist, and, if such liabilities are discovered, that the State may bar the Respondent from contracting with the State, cancel existing contracts, withhold payments to set off such obligations, and withhold further payments or purchases until the entity is current in its payments on its liability to the State and has submitted proof of such payment to the State.

1.20 EQUAL OPPORTUNITY COMMITMENT

Pursuant to IC 4-13-16.5 and in accordance with 25 IAC 5, it has been determined that there is a reasonable expectation of minority and woman business enterprises subcontracting opportunities on a contract awarded under this RFP. Therefore a contract goal of 8% for Minority Business Enterprises and 8% for Woman Business Enterprises have been established and all respondents will be expected to comply with the regulation set forth in 25 IAC 5. These goals are

based on the administrative expenses Contractors are expected to incur by fulfilling the duties of the contract, and exclude health care services.

Failure to meet these requirements will affect the evaluation of your proposal.

1.21 MINORITY & WOMEN'S BUSINESS ENTERPRISES RFP SUBCONTRACTOR COMMITMENT

In accordance with 25 IAC 5-5, the respondent is expected to submit with its proposal a MWBE Subcontractor Commitment Form. The Form must show that there are, participating in the proposed contract, Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) listed in the Minority and Women's Business Enterprises Division (MWBED) directory of certified firms located at <http://www.in.gov/idoa/2352.htm>. If participation is met through use of vendors who supply products and/or services directly to the Respondent, the Respondent must provide a description of products and/or services provided that are directly related to this proposal and the cost of direct supplies for this proposal. **Respondents must complete the Subcontractor Commitment Form in its entirety.**

In addition, Respondents must use the Administrative Bid Amount assumption specified in Section 2.5 of the RFP for Attachment A. These assumptions are strictly for the purposes of establishing a standard response basis, and shall not bind the State to award to any particular number of Respondents or to any particular methodology for calculating capitation. Moreover, any enrollment assumptions are in no way intended to predict actual member enrollment with any awarded Contractor.

Failure to meet these goals will affect the evaluation of your Proposal. The Department reserves the right to verify all information included on the MWBE Subcontractor Commitment Form.

Respondents are encouraged to contact and work with MWBED at 317-232-3061 to design a subcontractor commitment to meet established goals as referenced in this solicitation.

Prime Contractors must ensure that the proposed M/WBE subcontractors meet the following criteria:

- Must be listed on the IDOA Directory of Certified Firms, on or before the proposal due date.
- Each firm may only serve as one classification – MBE, WBE, or IVBE (see Section 1.22).
- A Prime Contractor who is an MBE or WBE must meet subcontractor goals by using other listed certified firms. Certified Prime Contractors cannot count their own workforce or companies to meet this requirement.
- Must serve a commercially useful function. The firm must serve a value-added purpose on the engagement.
- **May not provide health care services as defined in IC 27-8-11-1(c).**
- Must provide goods or service only in the industry area for which it is certified as listed in the directory at <http://www.in.gov/idoa/2352.htm>.
- Must be used to provide the goods or services specific to the contract.
- National Corporate Diversity Plans are generally not acceptable.

MINORITY & WOMEN'S BUSINESS ENTERPRISES RFP SUBCONTRACTOR LETTER OF COMMITMENT

A signed letter(s), on company letterhead, from the MBE and/or WBE must accompany the MWBE Subcontractor Commitment Form. Each letter shall state and will serve as acknowledgement from the MBE and/or WBE of its subcontract amount, a description of products and/or services to be provided on this project and approximate date the subcontractor will perform work on this contract. The MWBE Subcontractor Commitment Form is to be submitted alongside the respondent's proposal. The State reserves the right to deny evaluation points if the letter(s) is not attached. **The State may deny evaluation points if the letter(s) is not attached, not on company letterhead, not signed and/or does not reference and match the subcontract amount and the anticipated period that the Subcontractor will perform work for this solicitation.**

By submission of the Proposal, the Respondent acknowledges and agrees to be bound by the regulatory processes involving the State's M/WBE Program. Questions involving the regulations governing the MWBE Subcontractor Commitment Form should be directed to: Minority and Women's Business Enterprises Division at (317) 232-3061 or mwbe@idoa.in.gov.

1.22 INDIANA VETERANS BUSINESS ENTERPRISE SUBCONTRACTOR COMMITMENT

In accordance with Executive Order 13-04 and IC 5-22-14-3.5, it has been determined that there is a reasonable expectation of Indiana Veterans Business Enterprises subcontracting opportunities on a contract awarded under this RFP. Therefore, a contract goal of 3% for Indiana Veterans Business Enterprises has been established. The IVBE Subcontractor Commitment Form is to be submitted alongside the respondent's proposal. The Forms must show that IVBE subcontractors are participating in the proposed contract and that the proposed IVBE firms meet the

requirements listed at the Veteran's Business Program website (<http://www.in.gov/idoa/2862.htm>). If participation is met through use of vendors who supply products and/or services directly to the Respondent, the Respondent must provide a description of products and/or services provided that are directly related to this proposal and the cost of direct supplies for this proposal. **Respondents must complete the Subcontractor Commitment Form in its entirety.**

In addition, Respondents must use the Administrative Bid Amount assumption specified in Section 2.5 of the RFP for Attachment A1. These assumptions are strictly for the purposes of establishing a standard response basis, and shall not bind the State to award to any particular number of Respondents or to any particular methodology for calculating capitation. Moreover, any enrollment assumptions are in no way intended to predict actual member enrollment with any awarded Contractor.

Failure to address these goals may impact the evaluation of your Proposal. The Department reserves the right to verify all information included on the IVBE Subcontractor Commitment Form.

Prime Contractors must ensure that the proposed IVBE subcontractors meet the following criteria:

- Must be listed on Federal Center for Veterans Business Enterprise VetBiz registry, on or before the proposal due date
- Must qualify as a Buy Indiana Business under designation 1, on or before the proposal due date. See section 2.7 for more information
- Each firm may only serve as one classification – MBE, WBE (see Section 1.21) or IVBE
- A Prime Contractor who is an IVBE must meet subcontractor goals by using other IVBE qualified firms. Qualified Prime Contractors cannot count their own workforce or companies to meet this requirement.
- Must serve a commercially useful function. The firm must serve a value-added purpose on the engagement.
- **May not provide health care services as defined in IC 27-8-11-1(c).**
- Must provide goods or service only in the industry area for which it is certified as listed in the VetBiz directory <http://www.in.gov/idoa/2862.htm>
- Must be used to provide the goods or services specific to the contract

INDIANA VETERAN'S BUSINESS ENTERPRISES RFP SUBCONTRACTOR LETTER OF COMMITMENT

A signed letter(s), on company letterhead, from the IVBE must accompany the IVBE Subcontractor Commitment Form. The signed letter(s) and the IVBE Subcontractor Commitment Form are to be submitted alongside the respondent's proposal. Each letter shall state and will serve as acknowledgement from the IVBE of its subcontract amount, a description of products and/or services to be provided on this project, and approximate date the subcontractor will perform work on this contract. The State reserves the right to deny evaluation points if the letter(s) is not attached. The State may deny evaluation points if the letter(s) is not attached, not on company letterhead, not signed and/or does not reference and match the subcontract amount, and the anticipated period that the Subcontractor will perform work for this solicitation.

By submission of the Proposal, the Respondent acknowledges and agrees to be bound by the policies and processes involving the State's IVBE Program. Questions involving the regulations governing the IVBE Subcontractor Commitment Form should be directed to: indianaveteranspreference@idoa.in.gov.

1.23 AMERICANS WITH DISABILITIES ACT

The Respondent specifically agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.* and 47 U.S.C. 225).

1.24 SUMMARY OF MILESTONES

The following timeline is only an illustration of the RFP process. The dates associated with each step are not to be considered binding. Due to the unpredictable nature of the evaluation period, these dates are commonly subject to change. At the conclusion of the evaluation process, all Respondents will be informed of the evaluation team's findings.

Key RFP Dates

Activity	Date
Issue of RFP	July 25, 2014
Pre-Proposal Conference	August 5, 2014
Deadline to Submit Written Questions on RFP and Exhibits	August 6, 2014
Pre-Proposal Conference – Capitation Rates	August 5, 2014
Deadline to Submit Written Questions on Capitation Rates	August 8, 2014
Deadline to Submit Intent to Respond	August 8, 2014
Response to Written Questions/RFP Amendments	August 15, 2014
Response to Written Questions on Capitation Rates	August 21, 2014
Submission of Proposals	September 12, 2014
<i>The dates for the following activities are target dates only. These activities may be completed earlier or later than the date shown.</i>	
Proposal Evaluation	October 16, 2014
Proposal Discussions/Clarifications (if necessary)	October 17, 2014
Best and Final Offers (if necessary)	October 30, 2014
Oral Presentations (if necessary)	October 28-29, 2014
Award Recommendation	November 20, 2014

1.25 EVIDENCE OF FINANCIAL RESPONSIBILITY (25 IAC 1.1-1-5)

The Contractor must provide a performance bond of standard commercial scope issued by a surety company registered with the IDOI in the amount of \$1,000,000, or other evidence of financial responsibility as may be approved by the State to guarantee performance by the Contractor of its obligations under the Contract. This requirement applies specifically to the Hoosier Care Connect program. If the Contractor also delivers services to Indiana Medicaid enrollees under a separate contract with the State, a separate performance bond is required for the Hoosier Care Connect program. The State reserves the right to increase the financial responsibility requirements set forth in this section if enrollment levels indicate the need to do so. In the event of a default by the Contractor, the State must, in addition to any other remedies it may have under the Contract, obtain payment under the performance bond or other arrangement for the purposes of the following:

- (i) Reimbursing the State for any expenses incurred by reason of a breach of the Contractor's obligations under the Contract, including, but not limited to, expenses incurred after termination of the Contract for reasons other than the convenience of the State.
- (ii) Reimbursing the State for costs incurred in procuring replacement services.

The performance bond, which is due within 10 calendar days after the execution of the contract, must be made payable to "Indiana Family and Social Services Administration" and must be in the form of an irrevocable letter of credit, certified check, cashier's check, a bond acquired from a surety company registered with the Indiana Department of Insurance, or other evidence deemed acceptable by the State. The bond must remain in effect for the duration of the contract. Notwithstanding any other provisions relating to the beginning of the term, the contract shall not become effective until the performance bond required by the contract is delivered in the correct form and amount to IDOA. The performance bond should be submitted to an address to be specified after contract award.

1.26 READINESS REVIEWS

MCEs must participate in the readiness review process prior to the actual enrollment of any members. As requested by the State, the MCEs must submit documentation from several operational areas that demonstrates the MCE's readiness to enroll members. See Attachment H for more information regarding the readiness review.

SECTION TWO PROPOSAL PREPARATION INSTRUCTIONS

2.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is described in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the Respondent's proposal.
- The Transmittal Letter must be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below.
- The electronic copies of the proposal submitted via CD-ROM should be organized to mirror the sections below and the attachments.
- Each item, i.e. Transmittal Letter, Business Proposal, Technical Proposal, etc, must be separate stand-alone electronic files on the CD-ROM. Please do not submit your proposal as one large file.
- Whenever possible, please submit all attachments in their original format.
- Confidential Information must also be clearly marked in a separate folder/file on any included CD-ROM.

2.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics except those specifically identified as "optional."

2.2.1 Agreement with Requirements listed in Section 1

The Respondent must explicitly acknowledge understanding of the general information presented in Section 1 and agreement with any requirements/conditions listed in Section 1.

2.2.2 Summary of Ability and Desire to Supply the Required Products or Services

The Transmittal Letter must briefly summarize the Respondent's ability to supply the requested products and/or services that meet the requirements defined in Section 2.4 of this RFP. The letter must also contain a statement indicating the Respondent's willingness to provide the requested products and/or services subject to the terms and conditions set forth in the RFP including, but not limited to, the State's mandatory contract clauses.

2.2.3 Acceptance of Capitation Rates

The Respondent must explicitly acknowledge acceptance of the capitation rates presented in Section 2.5 and Attachments G and K, and agreement with any requirements/conditions listed in Section 2.5 and Attachments G and K.

2.2.4 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations and who can certify that the information offered in the proposal meets all general conditions including the information requested in Section 2.3.4, must sign the Transmittal Letter. **In the Transmittal Letter, please indicate the principal contact for the proposal along with an address, telephone and fax number as well as an e-mail address, if that contact is different than the individual authorized for signature.**

2.2.5 Respondent Notification

Unless otherwise indicated in the Transmittal Letter, Respondents will be notified via e-mail.

It is the Respondent's obligation to notify the Procurement Division of any changes in any address that may have occurred since the origination of this solicitation. The Procurement Division will not be held responsible for incorrect vendor/contractor addresses.

2.2.6 Other Information

This item is optional. Any other information the Respondent may wish to briefly summarize will be acceptable.

2.3 BUSINESS PROPOSAL

The Business Proposal must address the following topics except those specifically identified as “optional.” The Business Proposal Template is located in the supplemental attachments.

2.3.1 General (optional)

This section of the business proposal may be used to introduce or summarize any information the Respondent deems relevant or important to the State’s successful acquisition of the products and/or services requested in this RFP.

2.3.2 Respondent’s Company Structure

The legal form of the Respondent’s business organization, the state in which formed (accompanied by a certificate of authority), the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products and/or services in the United States must be described in more detail than other components of the organization.

2.3.3 Company Financial Information

This section must include the Respondent’s financial statement, including an income statement and balance sheet, for each of the two most recently completed fiscal years. The financial statements must demonstrate the Respondent’s financial stability. If the financial statements being provided by the Respondent are those of a parent or holding company, additional financial information should be provided for the entity/organization directly responding to this RFP.

Provide the Respondent’s full legal name as well as any relevant DBA or alias. In addition, provide the Respondent’s National Association of Insurance Commissioners (NAIC) number.

2.3.4 Integrity of Company Structure and Financial Reporting

This section must include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the organization assures board integrity, and the separation of audit functions and consulting services. The State will consider the information offered in this section to determine the responsibility of the Respondent under IC 5-22-16-1(d).

The Sarbanes Oxley Act of 2002, H.R. 3763, is NOT directly applicable to this procurement; however, its goals and objectives may be used as a guide in the determination of corporate responsibility for financial reports.

2.3.5 Contract Terms/Clauses

A sample contract that the state expects to execute with the successful Respondent(s) is provided in Attachment B1. This contract contains both mandatory and non-mandatory clauses. Mandatory clauses are listed below and are non-negotiable. Other clauses are highly desirable. It is the State’s expectation that the final contract will be substantially similar to the sample contract provided in Attachment B1.

In your Transmittal Letter please indicate acceptance of these mandatory contract terms (see section 2.2.2). In this section please review the rest of the contract and indicate your acceptance of the non-mandatory contract clauses. If a non-mandatory clause is not acceptable as worded, suggest specific alternative wording to address issues raised by the specific clause. If you require additional contract terms please include them in this section. To reiterate it's the State's strong desire to not deviate from the contract provided in the attachment and as such the State reserves the right to reject any and all of these requested changes.

The mandatory contract terms are as follows:

- Duties of Contractor, Rate of Pay, and Term of Contract
- Authority to Bind Contractor
- Compliance with Laws
- Drug-Free Workplace Provision and Certification
- Employment Eligibility
- Funding Cancellation
- Governing Laws
- Indemnification
- Information Technology
- Non-Discrimination Clause
- Ownership of Documents and Materials
- Payments
- Penalties/Interest/Attorney's Fees
- Termination for Convenience
- Non-Collusion and Acceptance

Any or all portions of this RFP and any or all portions of the Respondents response may be incorporated as part of the final contract

2.3.6 References

The Respondent should include a list of their **three (3) most recent clients** for whom the Respondent has provided products and/or services that are the same or similar to those products and/or services requested in this RFP. If the Respondent has had previous contracts with the State, it is required that the State also be listed as a reference.

The Respondent should also identify all references for the past five (5) years for whom your company has provided the same or similar services as those requested in this RFP, but the contract was terminated for cause or for convenience.

Information provided should include the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information.

2.3.7 Registration to do Business

Secretary of State

If awarded the contract, the Respondent will be required to be registered, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations and limited liability companies. The Respondent must indicate the status of registration, if applicable, in this section of the proposal.

Department of Administration, Procurement Division

Additionally, respondents must be registered with the IDOA. This can be accomplished on-line at <http://www.in.gov/idoa/2464.htm>.

The IDOA Procurement Division maintains two databases of vendor information. The Bidder registration database is set up for vendors to register if you are interested in selling a product or service to the State of Indiana. Respondents may register on-line at no cost to become a Bidder with the State of Indiana. To complete the on-line Bidder registration, go to <http://www.in.gov/idoa/2464.htm>. The Bidder registration offers email notification of upcoming solicitation opportunities, corresponding to the Bidder's

area(s) of interest, selected during the registration process. Respondents do need to be registered to bid on and receive email notifications. Completion of the Bidder registration will result in your name being added to the Bidder's Database, for email notification. The Bidder registration requires some general business information, an indication of the types of goods and services you can offer the State of Indiana, and locations(s) within the state that you can supply or service. There is no fee to be placed in Procurement Division's Bidder Database. To receive an award, you must be registered as a bidder. Problems or questions concerning the registration process or the registration form can be e-mailed to Amey Redding, Vendor Registration Coordinator, aredding@idoa.in.gov, or you may reach her by phone at (317) 234-3542.

2.3.8 Authorizing Document

Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

2.3.9 Subcontractors

The Respondent is responsible for the performance of any obligations that may result from this RFP, and shall not be relieved by the non-performance of any subcontractor. Any Respondent's proposal must identify all subcontractors and describe the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all State statutes, and will be subject to the provisions thereof. For each portion of the proposed products or services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in the State's evaluation. The Respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.

The Respondent must list any subcontractor's name, address and the state in which formed that are proposed to be used in providing the required products or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal. The Respondent must indicate which, if any, subcontractors qualify as a Minority or Women Owned Business under IC 4-13-16.5-1. See Section 1.21 and MWBE Sub-contractor commitment Form for Minority and Women Business information.

2.3.10 General Information

Each Respondent must enter your company's general information including contact information.

2.3.11 Experience Serving State Governments

Each Respondent is asked to please provide a brief description of your company's experience in serving state governments and/or quasi-governmental accounts.

2.3.12 Experience Serving Similar Clients

Each Respondent is asked to please describe your company's experience in serving clients of a similar size to the State that also had a similar scope. Please provide specific clients and detailed examples.

2.3.13 Indiana Preferences

Pursuant to IC 5-22-15-7, Respondent may claim only one (1) preference. For the purposes of this RFP, this limitation to claiming one (1) preference applies to Respondent's ability to claim eligibility for Buy

Indiana points. **Respondent must clearly indicate which preference they intend to claim. Additionally, the Respondent's Buy Indiana status must be finalized when the RFP response is submitted to the State.**

Buy Indiana

Refer to Section 2.7 for additional information.

2.3.14 Evidence of Financial Responsibility

In this section, the Respondent must document its ability to procure the mandatory performance bond or other evidence of financial responsibility as may be approved by the State. See Section 1.25 for details regarding the performance bond.

Notwithstanding any other provisions relating to the beginning of the term, any contract will not become effective until the evidence of financial responsibility is delivered in the correct form and amount to the address indicated in Section 1.25.

2.3.15 State Licensure

Prior to the Contract effective date, the Contractor must be an Indiana licensed accident or sickness insurer or an Indiana licensed health maintenance organization (HMO).

2.4 TECHNICAL PROPOSAL

The Technical Proposal must be divided into the sections as outlined in the Technical Proposal Template. Every point made in each section must be addressed in the order given. The same outline numbers must be used in the response. RFP language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. The referenced document must be included as an appendix to the technical proposal with referenced sections clearly marked. If there are multiple references or multiple documents, these must be listed and organized for ease of use by the State. The Technical Proposal Template is located in the supplemental attachments.

2.5 PRICING

The table below displays the rates along with assumptions for average monthly membership in the entire Hoosier Care Connect Program, enrollment assumptions for each MCE, the administrative expense and profit assumption, and the 4-Year Administrative Bid Amount to be included in Attachments A, A1, and C.

Hoosier Care Connect Enrolled Population	CY 2015 Capitation Rate	Projected Total Monthly Enrollment	Per MCE Enrollment Assumption ¹	Administrative Expense and Profit Assumption ²	4-Year Administrative Bid Amount ³
Disabled – Adult (Ages 21 and over)	\$1,083.14	66,600	22,200	11.25%	\$150,835,903
Disabled – Children (Under Age 21)	\$653.18	17,500	5,833		
Disabled – Dual eligible	\$229.95	1,000	333		
Total		85,100	28,367		

¹Individual MCE enrollment assumption is set at one-third (1/3) of total enrollment projections for a four year contract period.

²Administrative expense percent assumption is calculated by taking 100% minus the average minimum medical loss ratio over the four years of the contract.

³4-Year Administrative Bid Amount is calculated by taking the total capitation payments (at 2015 rates) over a four year contract for a single MCE and multiplying this amount by the administrative expense and profit percent.

These assumptions are strictly for the purposes of establishing a standard response basis, and shall not bind the State to award to any particular number of Respondents or to any particular methodology for calculating capitation. Moreover, any enrollment assumptions are in no way intended to predict actual member enrollment with any awarded Contractor.

Note on Rate Adjustment: The capitation rates the State will pay per member per month to MCEs in the Hoosier Care Connect program will be set at the values above for CY 2015. To the extent benefits or fee schedules are adjusted, capitation rates will be subject to revision by an equivalent value. To the extent future capitation rates are adjusted according to new base year data, Contractor rates will be set within an actuarially sound range, relative to CY 2015.

Note on Risk Adjustment: The State will risk adjust each Contractors' rates, based on the relative morbidity of their enrolled members to the statewide population. The State reserves the right to change risk adjustment models and tools. Total payments by the State will be risk score neutral, meaning Contractors' rates will be adjusted both up and down, according to the morbidity of their enrolled members relative to all enrolled members. Risk adjustment will be calculated separately for the Adult (ages 21 and over) and Children (under age 21) rate cells. Rates will be adjusted every twelve (12) months, based on member data from the previous twelve (12) months. The State reserves the right to adjust rates retrospectively. Members enrolled for less than six (6) months will be risk adjusted according to each Contractor's average risk adjustment factor. Risk adjustment will not be calculated for the Dual Eligible rate cell.

Note on Incentive Payment Withholding: The capitation rates listed do not reflect any withhold amounts. For CY 2015 the Office will withhold one and one half percent (1.5%) of the approved capitation payments from Contractor. Withhold payments will be calculated as set forth in Section B of Attachment B2, the Contract Compliance and Pay for Outcomes contract exhibit, and the Contractor may be eligible to receive some or all of the withheld funds based on Contractor's performance in the areas outlined therein. For example, in CY 2015, each MCE should initially receive 98.5% of the CY 2015 capitation rate per each disabled adult member per month. This amounts to \$1,066.89 (or 98.5% of \$1,083.14) per member per month. Contingent upon performance, the MCE may have a chance to earn back the withheld \$16.25 (or 1.5% of \$1,083.14) per member per month. Note, the percentage withholding will increase in future contract years.

2.6 INDIANA ECONOMIC IMPACT

All companies desiring to do business with state agencies must complete an Indiana Economic Impact Form (please see supplemental attachments). The accounting of Indiana resident employees in Attachment C must not include employees that provide health care services as defined in IC 27-8-11-1(c), and must be based on enrollment assumptions established in Section 2.5 of the RFP. Respondents must also use the Administrative Bid Amount specified in Section 2.5 of the RFP to fill in the Administrative Proposal Amount (row 16) for Attachment C. These assumptions are strictly for the purposes of establishing a standard response basis, and shall not bind the State to award to any particular number of Respondents or to any particular methodology for calculating capitation. Moreover, any enrollment assumptions are in no way intended to predict actual member enrollment with any awarded Contractor.

The collection and recognition of the information collected with the Indiana Economic Impact form places a strong emphasis on the economic impact a project will have on Indiana and its residents regardless of where a business is located. The collection of this information does not restrict any company or firm from doing business with the State. The amount entered in Line 16 should match the Administrative Bid Amount specified in Section 2.5 of the RFP.

2.7 BUY INDIANA INITIATIVE/INDIANA COMPANY

It is the Respondent's responsibility to confirm its Buy Indiana status for this portion of the process. If a Respondent has previously registered its business with IDOA, go to <http://www.in.gov/idoa/2464.htm> and click on the link to update this registration. Click the tab titled Buy Indiana. Select the appropriate category for your business. Respondents may only select one category. Certify this selection by clicking the check box next to the certification paragraph. Once this is complete, save your selection and exit your account.

Respondents that have not previously registered with IDOA must go to <http://www.in.gov/idoa/2464.htm> and click on the link to register. During the registration process, follow the steps outlined in the paragraph above to certify your business' status. The registration process should be complete at the time of proposal submission.

Respondent must clearly indicate which preference they intend to claim in the Business Proposal, (please see supplemental attachments). **Additionally, the Respondent's Buy Indiana status must be finalized when the RFP response is submitted to the State.**

Defining an Indiana Business:

"Indiana business" refers to any of the following:

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs Indiana residents as a majority of its employees.

Respondents claiming this status must indicate which of the provisions above qualifies them as an Indiana business. They must also fully complete the Indiana Economic Impact Form and include it with their response.

The following is the policy concerning items 4 & 5 described below. Appropriate documentation must be provided with your proposal response supporting either claim made below:

- (4) A business that makes significant capital investments in Indiana.
- (5) A business that has a substantial positive economic impact on Indiana.

Substantial Capital Investment:

Any company that can demonstrate a minimum capital investment of \$5 million or more in plant and/or equipment or annual lease payments of \$2.5 million or more shall qualify as an Indiana business under category #4. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

Substantial Indiana Economic Impact:

Any company that is in the top 500 companies (adjusted) for one of the following categories: number of employees (DWD), unemployment taxes (DWD), payroll withholding taxes (DOR), or Corporate Income Taxes (DOR); it shall qualify as an Indiana business under category #5. If a Respondent needs assistance in determining if its business qualifies under this criterion, please send an email inquiry to buyindianainvest@idoa.in.gov and you will receive a response within forty-eight (48) hours. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

SECTION THREE PROPOSAL EVALUATION

3.1 PROPOSAL EVALUATION PROCEDURE

The State has selected a group of personnel to act as a proposal evaluation team. Subgroups of this team, consisting of one or more team members, will be responsible for evaluating proposals with regard to compliance with RFP requirements. All evaluation personnel will use the evaluation criteria stated in Section 3.2. The Secretary of FSSA or their designee will, in the exercise of their sole discretion, determine which proposals offer the best means of servicing the interests of the State. The exercise of this discretion will be final.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 3.1.1 Each proposal will be evaluated for adherence to requirements on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements may be eliminated from consideration.
- 3.1.2 Each proposal will be evaluated on the basis of the categories included in Section 3.2. A point score has been established for each category.
- 3.1.3 Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, taking into account all of the evaluation factors, may be selected by IDOA and FSSA for further action, such as contract negotiations. If, however, IDOA and FSSA decide that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, IDOA may begin contract preparation with the next qualified Respondent or determine that no such alternate proposal exists.

3.2 EVALUATION CRITERIA

Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements of the RFP in a cost-effective manner. Each of the evaluation criteria categories is described below with a brief explanation of the basis for evaluation in that category. The points associated with each category are indicated following the category name (total maximum points = 100). Additionally, there is an opportunity for a bonus of three (3) points if certain criteria are met. For further information, please reference Sections 3.2.5 and 3.2.6 below. If any one or more of the listed criteria on which the responses to this RFP will be evaluated are found to be inconsistent or incompatible with applicable federal laws, regulations or policies, the specific criterion or criteria will be disregarded and the responses will be evaluated and scored without taking into account such criterion or criteria.

Summary of Evaluation Criteria:

Criteria	Points
1. Adherence to Mandatory Requirements	Pass/Fail
2. Management Assessment/Quality (Business and Technical Proposal)	60
3. Indiana Economic Impact	5
4. Buy Indiana	10
5. Minority (10) and Women Business (10) Subcontractor Commitment	20 (2 bonus points are available, see Section 3.2.5)
6. Indiana Veteran Business Enterprise (IVBE) Subcontractor Commitment	5 (1 bonus point is available, see Section 3.2.6)
Total	100 (103 if bonus awarded)

All proposals will be evaluated using the following approach.

Step 1

In this step proposals will be evaluated only against Criteria 1 to ensure that they adhere to Mandatory Requirements. Any proposals not meeting the Mandatory Requirements will be disqualified.

Step 2

The proposals that meet the Mandatory Requirements will then be scored based on Criteria 2 ONLY. This scoring will have a maximum possible score of 60 points. All proposals will be ranked on the basis of their score for Criteria 2 ONLY. This ranking will be used to create a “short list”. Any proposal not making the “short list” will not be considered for any further evaluation. **The State reserves the right to exclude proposals from the “short list” on the basis of financial stability. The financial stability of Respondents to this RFP will be evaluated based on Risk Based Capital Ratio (“RBC Ratio”). OMPP will coordinate with the Indiana Department of Insurance in assessing the RBC Ratio and financial stability.**

For both blue blank (life) and orange blank (health) filers, the RBC Ratio standards will be 1) above 200%; or 2) above 300 % with a negative trend.

Respondent proposals may be removed from further consideration for award if these standards of financial stability are not met. The State reserves the right to seek clarification from Respondents in connection with this evaluation.

The evaluation will be conducted based on each Respondent’s RBC Ratio for calendar year 2013, or other period deemed acceptable by the State.

The State expects that the relevant information necessary to assess the RBC Ratio for Respondents may be accessed through the National Association of Insurance Commissioners (“NAIC”). To the extent information deemed necessary by the State is not available through the NAIC, the State may require Respondents to submit their complete RBC report or other information, and conduct its evaluation on the basis of that information.

Step 2 may include one or more rounds of proposal discussions, oral presentations, clarifications, demonstrations, etc. focused on various proposal elements. Step 2 may include a second “short list”.

Step 3

The short-listed proposals will then be evaluated based on all the entire evaluation criteria outlined in the table above.

If the State conducts additional rounds of discussions and a BAFO round which lead to changes in the technical proposal for the short listed Respondents, their scores will be recomputed.

The section below describes the different evaluation criteria.

3.2.1 Adherence to Requirements – Pass/Fail
Respondents passing this category move to Phase 2 and proposal is evaluated for Management Assessment/Quality.

3.2.2 Management Assessment/Quality - **60** points

3.2.3 Indiana Economic Impact (5 points)

See Section 2.6 for additional information.

The total number of full time equivalent (FTE – please see Section 1.2 for a definition of FTE’s) Indiana resident employees for the Respondent’s proposal, to execute the scope of work proposed in this RFP, (prime contractor and subcontractors) will be used to evaluate the Respondent’s Indiana Economic Impact. **The accounting of Indiana resident employees must not include employees that provide health care services as defined in IC 27-8-11-1(c).** Points will be awarded based on a graduated scale. The Respondent with the most Indiana FTEs will be awarded 5 points. Points will

then be awarded to the remaining Respondents proportionately. Please see Attachment C, Indiana Economic Impact Form, for more detailed instructions.

3.2.4 Buy Indiana Initiative – 10 points

Respondents qualifying as an Indiana Company as defined in Section 2.7 will receive 10 points in this category.

3.2.5 Minority (10 points plus 1 bonus point) & Women's Business (10 points plus 1 bonus point) Subcontractor Commitment - (20 points plus 2 bonus points).

The following formula will be used to determine points to be awarded based on the MBE and WBE goals listed in Section 1.20 of this RFP. Scoring is conducted based on an assigned 20-point, plus possible 2 bonus-points, scale (MBE: Possible 10 points + 1 bonus point, WBE: Possible 10 points + 1 bonus Point). Points are assigned for respective MBE participation and WBE participation based upon the BAFO meeting or exceeding the established goals.

If the respondent's commitment percentage is less than the established MBE or WBE goal, the maximum points achieved will be awarded according to the following schedule:

%	1%	2%	3%	4%	5%	6%	7%	8%
Pts.	1.25	2.50	3.75	5.00	6.25	7.50	8.75	10.00

NOTE: Fractional percentages will be rounded up or down to the nearest whole percentage. (e.g. 7.49% will be rounded down to 7% = 8.75 pts., 7.50% will be rounded up to 8% = 10.00 pts.)

If the respondent's commitment percentage is 0% for MBE or WBE participation, a deduction of 1 point will be discounted on the respective MBE or WBE score.

The respondent with the greatest applicable Commercially Useful Function (CUF) participation which exceeds the stated goal for the respective MBE or WBE category will be awarded 11 points (10 points plus 1 bonus point). In cases where there is a tie for the greatest applicable CUF participation and both firms exceed the goal for the respective MBE/WBE category both firms will receive 11 points.

3.2.6 Indiana Veteran Business Enterprise Subcontractor Commitment - (5 points plus 1 bonus point).

The following formula will be used to determine points to be awarded based on the IVBE goal listed in Section 1.22 of this RFP. Scoring is conducted based on an assigned 5-point, plus possible 1 bonus-point, scale. Points are assigned for IVBE participation based upon the BAFO meeting or exceeding the established goals.

If the respondent's commitment percentage is less than the established IVBE goal, the maximum points achieved will be awarded according to the following schedule:

%	0%	0.6%	1.2%	1.8%	2.4%	3%
Pts.	-1	1	2	3	4	5

NOTE: Fractional points will be awarded based upon a graduated scale between whole points. (e.g. a 0.3% commitment will receive .5 points and a 1.5% commitment will receive 2.5 points)

If the respondent's commitment percentage is 0% for IVBE participation, a deduction of 1 point will be assessed.

The respondent with the greatest applicable CUF participation which exceeds the stated goal for the IVBE category will be awarded 6 points (5 points plus 1 bonus point). In cases where there is a tie for the greatest applicable CUF participation and both firms exceed the goal for the IVBE category both

firms will receive 6 points.

The Secretary of FSSA or their designee will, in the exercise of their sole discretion, determine which proposal(s) offer the best means of servicing the interests of the State. The exercise of this discretion will be final.